

The
George
Washington
University

1972
Annual
Report

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President's Letter

September 25, 1972

To the Board of Trustees and Members
and Friends of
The George Washington University
Washington, D. C.

Reports from colleges and universities are showing a lot of red ink these days. It is my pleasure to report that black ink shows in this report of George Washington and it comes about as a result of several factors:

1) Five years ago a study of Program Budgeting was undertaken which brought income and expenditures under close analysis and constant surveillance. It is no accident, therefore, that we have available in George Washington as much data on costs, income and budgets as can be found on any campus in the country. Both the study and its continuing results are widely shared within the University community. Deans, Department Chairmen, and Committees of the Faculty Senate as well as individual members of the academic staff have participated in many aspects of the overall effort.

2) Enrollment has remained relatively stable. While the number of freshmen registered in 1971-72 dropped a bit, undergraduate transfers and registrations in graduate and professional schools moved up.

3) During each of the past two years, disaster funds authorized by the Congress have been available to meet operating deficits of the Medical School.

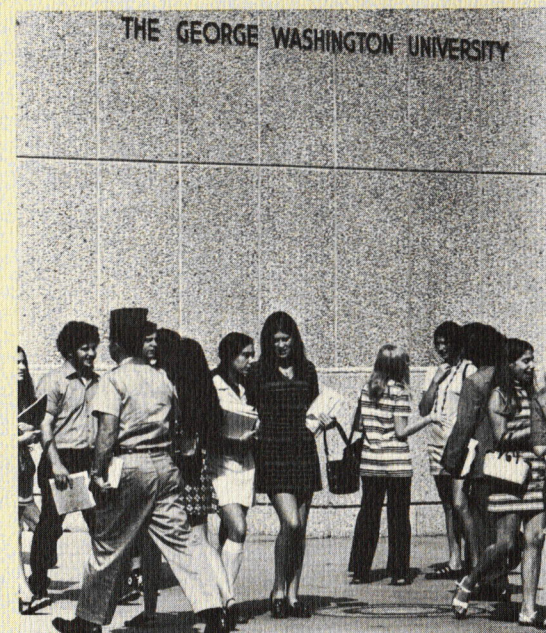
4) Fund-raising efforts, both for capital projects and annual giving, have yielded increases and have revealed a growing concern on the part of alumni and friends for the

institution. Support from government, both grants and contracts, and from foundations has also increased.

5) Tight controls on expenditures have been put into effect since, in the final analysis, the University, like the homemaker, must live within its income.

In spite of very strict restraints on expenditures, we have been able to make positive progress in such critical areas as faculty salaries, library expenditures and capital improvements. These steps have been achieved during a period when many other colleges and universities have been forced to forego advances in these areas. In relative terms, George Washington University is stronger financially now than ever before in its history.

The future is not without its storm signals, however. Tuition increases cannot be continued as in previous years or George Washington will price itself out of the reach of too many prospective students. With increasing costs almost a certainty, the question looms ever in front of us: From what sources can new support be obtained?



Continued financial stability and advancements in academic strength of the institution rest on finding satisfactory answers to this question. Some of the encouraging possibilities include:

1) Additional funds can be generated by increased giving. George Washington is a quarter of a century behind the best of Ivy League institutions in private fund raising. This kind of support, so vital in building those institutions into national and international recognition, can play the same role at George Washington; albeit a few decades later.

2) Additional income producing properties can be developed. This appears to be the most promising substitute, both immediately and in the long-range future, for the sizable endowment funds acquired over many years by our financially stronger sister institutions.

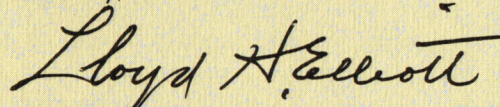
3) For the greatest help, however, higher education has reached the point where institutional grants from the Federal Government must help to meet operating costs. This solution is as important to public institutions as to private. It is as fair to one as to the other, and, has been proven in Great Britain, it is an acceptable public response to the needs of a private institution which serves in the public interest. In other words, the service to society in the education of college students is a public service which when borne by the private institution relieves the public of the burden. Alternatively, the public is either faced with underwriting the total costs of such education in public institutions or of maintaining private institutions in which the burden is shared. Unless institutional grants become a regular part of the Nation's educational policy, many private colleges and universities will close, severely curtail programs, or become entirely public, thus shifting the total cost to the taxpayer.

No problems are solved, of course, without the leadership of key people. George Washington University is fortunate to have the services of able financial officers. Special attention is called to the important contribution of Vice President and Treasurer Henry W. Herzog, who retired June 30, 1972, after forty-one years with the University. He and others listed elsewhere in this report have been instrumental in strengthening significantly the financial base of the University.

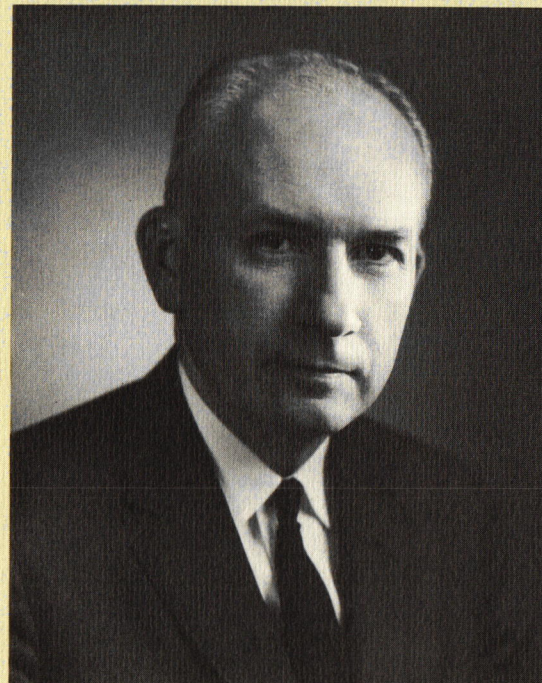
On balance, we at George Washington are able to view the future with a sense of cautious

optimism. We are aware of and earnestly pursuing those improvement opportunities which are most readily influenced by our actions; in these endeavors we are optimistic. Recognition of our greater dependence on improved forms of financial assistance from the Federal Government leads us to be cautious in our longer term predictions.

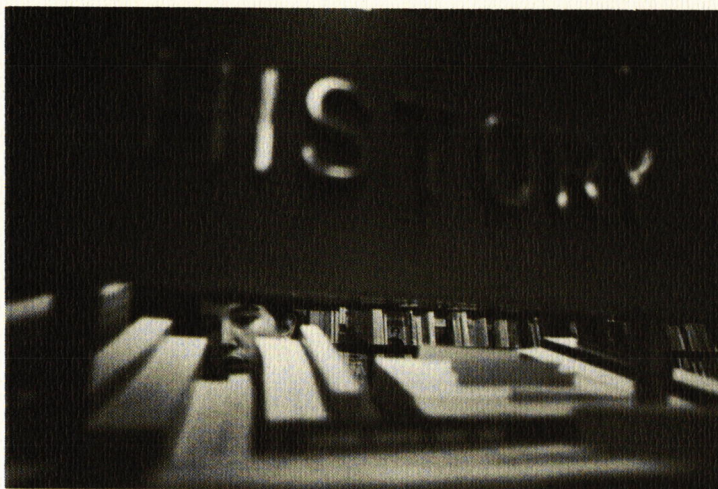
Sincerely,



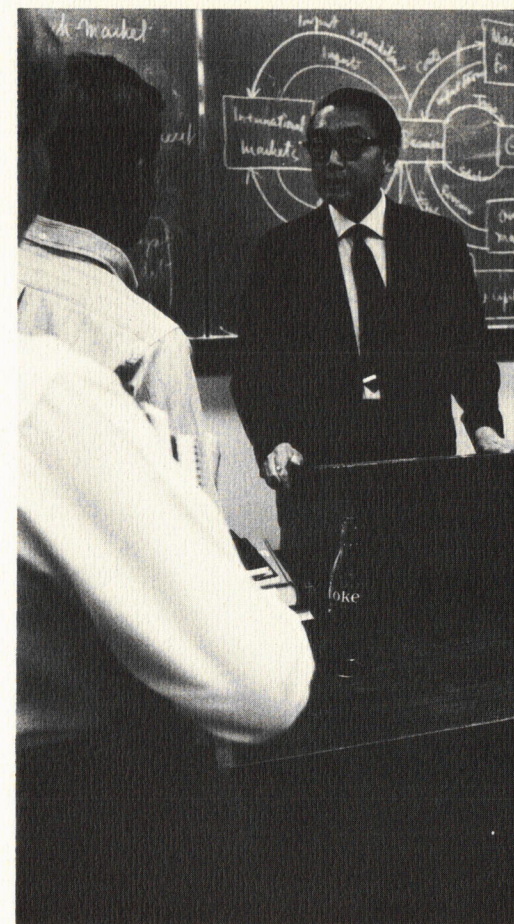
Lloyd H. Elliott
President







A new plan for academic programs has given George Washington University students new flexibility in choosing a major course of study. Numerous options, including individually created majors, as well as regular, double, interdisciplinary and interdepartmental majors are now available. In addition, there are two separate plans which enable qualified students to earn their degrees in less than four years.



Immersed in the academic environment, many students yearn for a sense of interfacing with the problems of real life. A desire is often expressed to wrestle with practical situations and to become a part of the world outside the classroom.

A wide variety of opportunities to interrelate with the community exist at George Washington University. The spectrum ranges all the way from law students working with attorneys on criminal cases to volunteer work at hospitals. It has included such efforts as tutoring underprivileged children, helping older people with language difficulties and giving High School students training in the Performing Arts.



Location within the nation's capital makes George Washington University a unique learning environment. The Smithsonian Institution, the National Gallery of Art, the Embassies, Congressional Committees, the National Institutes of Health, and the Library of Congress are routinely used in various courses of study. Opportunities for first-hand experience in the workings of the Federal Government are unequalled anywhere and the great number of other readily — available resources found only within Washington, D. C., enriches the student experience in ways no other location can.



Letters of Transmittal

September 25, 1972

To the President and the Board
of Trustees
The George Washington
University
Washington, D. C.

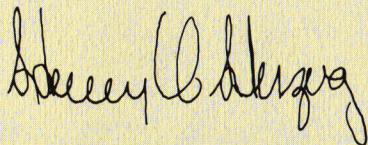
Gentlemen:

The year ended June 30, 1972 is a very special year for me. It marks the completion of forty-one years of full time association with the University; notable progress continues in the University's academic, research and patient care programs; and financial results are the most encouraging in the University's history.

As the University grows, so should its reporting to members of the University community. Accordingly, this year's financial statements are made a part of the University's Annual Report. Exhibit B, the statement relating income, expenses and transfers, has been modified in this year's financial reports to provide supplemental financial information on the activities of the Medical Center. Lastly, the financial statements, particularly Exhibit C, are prepared to provide more complete reporting in respect to the principal fund groups, both restricted and semi-restricted, which the University administers. These changes, I believe, represent positive and constructive improvements in the quality of financial reporting for colleges and universities.

At this juncture in my association with the University, many thoughts come to mind. This, however, is not the time or the place to single out specific events or opportunities. Suffice it to say, I am glad to have been here, at this time, and in this place. It is good to have shared with so many in the University's development.

Respectfully submitted,



Henry W. Herzog
Vice President and Treasurer
Emeritus

September 25, 1972

To the President and the Board
of Trustees
The George Washington
University
Washington, D. C.

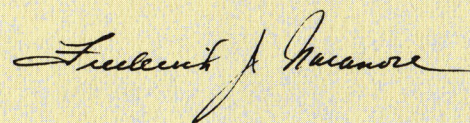
Gentlemen:

I am submitting herewith the Financial Statements of The George Washington University for the year ended June 30, 1972. These statements are based on the budget approved by the Board of Trustees of the University. The accounts of the University are kept and its financial reports arranged as far as practicable in conformity with the principles adopted by the National Association of College and University Business Officers. In accordance with those principles, the funds of the University are classified in various fund groups, and the accounts and financial statements segregate clearly the assets and liabilities of each of these groups as indicated in the balance sheet, Exhibit A.

Price Waterhouse & Co. have examined the accounts of the University for the past year, and their report is submitted herewith.

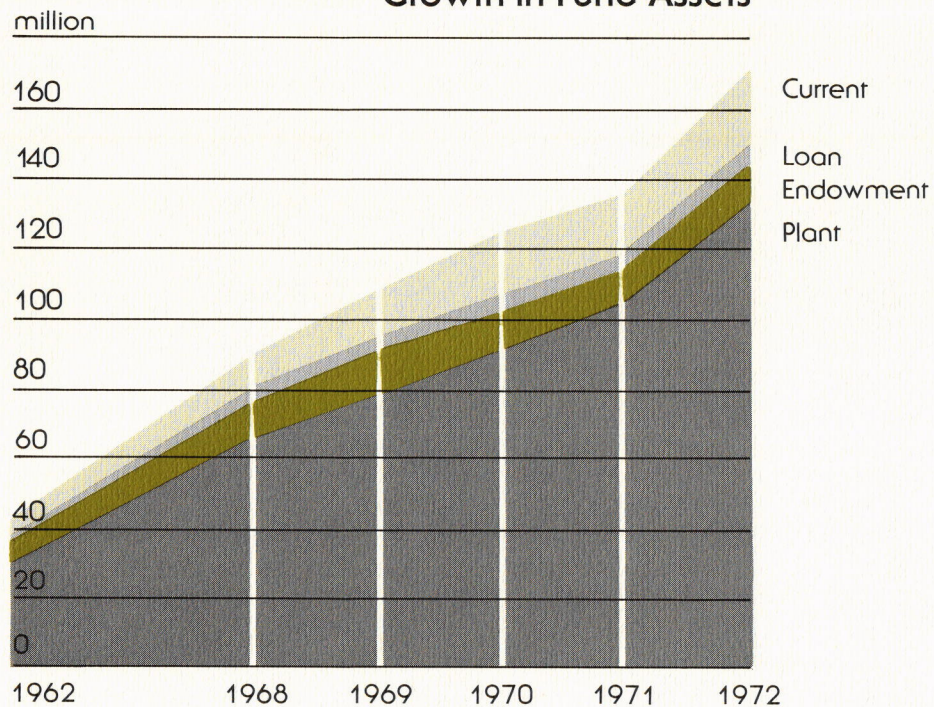
A condensed summary and charts relating to the principal facts in the report are presented on succeeding pages followed by the Exhibits.

Respectfully submitted,

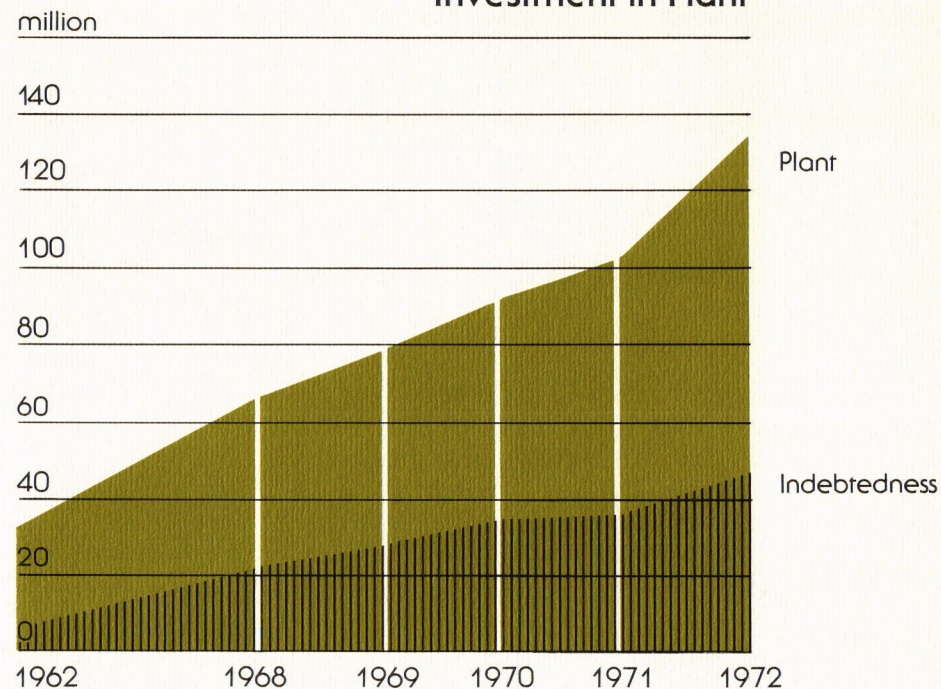


Frederick J. Naramore
Comptroller

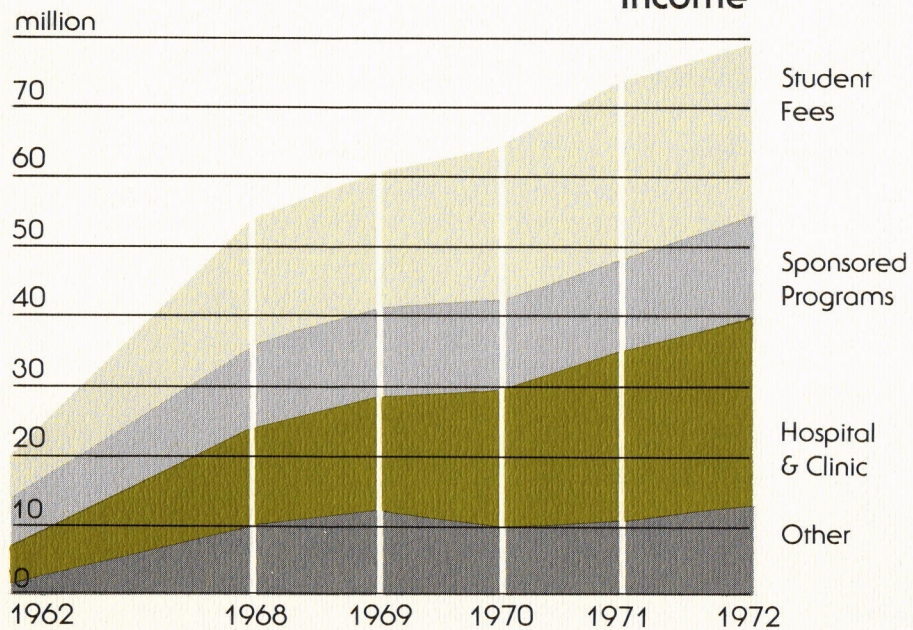
Growth in Fund Assets



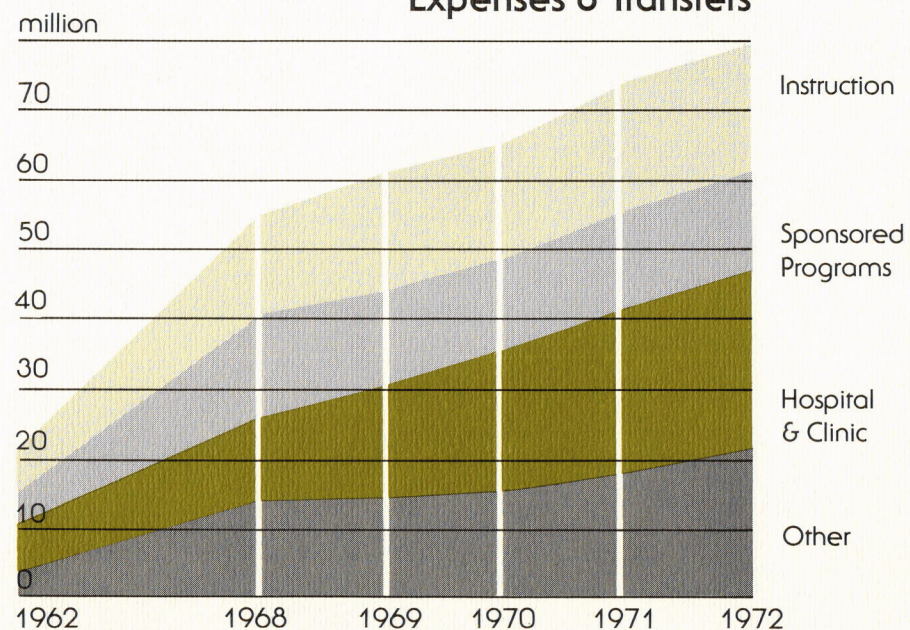
Investment in Plant



Income



Expenses & Transfers



Condensed Summary

General Total assets of all funds of the University amounted to \$173,468,138 at June 30, 1972, an increase of \$36,242,501 or 26.4% over the previous year. Major fund groups increased during the year by the following amounts and percentages:

	Amount	Per Cent of Growth
Current Funds	\$ 3,945,080	22.7
Loan Funds	612,222	12.4
Endowment Funds	405,667	3.6
Plant Funds	31,279,532	30.2
	<u>\$36,242,501</u>	26.4

Gifts Gifts received during the year amounted to \$4,621,587 which represents an increase of \$785,434 or 20.5% over gifts received for the year ended June 30, 1971. A summary of the gifts received for the year ended June 30, 1972 and June 30, 1971 is as follows:

	1972	1971
Current Funds		
Unrestricted	\$ 361,125	\$ 290,500
Restricted	475,117	426,757
Student Loan Funds	17,408	43,163
Endowment Funds	404,494	720,910
Plant Funds	3,363,443	2,354,823
	<u>\$4,621,587</u>	<u>\$3,836,153</u>

Current Funds At June 30, 1972, current fund assets amounted to \$21,360,672 and represent the funds available for general use in the current operations of the University. Included in these assets are \$2,171,202 in net advances made to Plant Funds as interim financing for construction projects. These advances are of a temporary nature and are in general to be repaid from the proceeds of government grants, mortgage loans and gifts.

Condensed Summary — Continued

Current income for the year amounted to \$79,547,088 an increase of \$8,123,348 or 11.4% over the year ended June 30, 1971, and current expense amounted to \$74,267,025, an increase of \$5,028,680 or 7.3% over the same period. Commitments to loan funds, bond retirement funds, investment in properties, and additions to appropriated fund balances amounted to \$3,849,743 which was available from current income. After meeting the above commitments and transfers, unappropriated fund balances were increased \$1,430,320 from current operations.

Unappropriated fund balances amounted to \$2,421,951 at year end.

During the year \$17,412,144 of funds available from gifts, grants and other sources, was used for research, education and other development programs. At June 30, 1972, unexpended balances for these and other designated funds amounted to \$5,337,125.

Loan Funds Loan Funds are provided by gifts to the University, by deposits from the federal government under provisions of the National Defense Education Act Loan Program and other legislation, and by amounts transferred from the University Current Funds. These funds are administered by the University and made available to qualified students. During the year, 1,196 loans totaling \$947,405 were made for educational purposes. At year end the loans receivable amounted to \$5,028,781 representing an increase of \$566,358 or 12.7% over the loans receivable at June 30, 1971.

Endowment Funds The principal of Endowment Funds amounted to \$11,757,672 which included investments recorded at \$11,045,728 with a market value of \$15,092,419 at June 30, 1972. A summary of the endowment fund investments is as follows:

	Book Value		Market Value	
	Amount	Per Cent	Amount	Per Cent
Bonds				
U. S. Government . \$	405,104	3.6	\$ 398,900	2.6
Other	3,415,267	30.9	2,966,450	19.7
Stocks				
Preferred	447,571	4.1	455,398	3.0
Common	6,777,786	61.4	11,271,671	74.7
Total Investments ...	<u>\$11,045,728</u>	<u>100.0</u>	<u>\$15,092,419</u>	<u>100.0</u>

In addition to the above investments, assets of the Endowment Funds included cash, real estate and funds held in trust by others totaling \$711,944.

"Consolidated Endowment Funds" consisted of 225 individual endowments with a total value of \$9,434,206 at June 30, 1972. The assets of the Consolidated Endowment Funds are combined to eliminate the possibility of partial or total loss of any fund through the failure of a specific investment, to avoid temporary suspension of income and the carrying of small uninvested cash balances, and to give equality of treatment to all funds. Unless otherwise restricted by the donors, the assets of all new endowments are added to the assets of the Consolidated Endowment Funds. Earnings of Consolidated Endowment Funds are accumulated in a common income account and distributed annually to the individual funds on the basis of the participating units originally assigned to each fund. The value of a unit at June 30, 1972, and the income earned per unit during 1972 compared with similar amounts for the preceding year were:

	1972	1971
Unit Value	\$14.07	\$12.77
Income per Unit	\$.5432	\$.5475

Endowments also included certain funds totaling \$1,786,943 which are separately invested, and Funds Held in Trust by Others in the amount of \$536,523.

Under the terms of wills, deeds of gift, or the by-laws of the University, principal balances of Endowment Funds are held in perpetual trust for income-producing purposes. The principal balances of the Endowment Funds at June 30, 1972 are summarized by purpose as follows:

Unrestricted	\$	880,295	
Restricted			
Fellowships.....	\$	705,507	
Professorships.....		1,888,968	
Schools.....		4,051,842	
Hospital.....		1,625,543	
Scholarships.....		1,908,969	
Prizes.....		89,623	
Building and Equipment.....		107,287	
Libraries and Books.....		91,868	10,469,607
			11,349,902
Reserves for Protection of Investments			407,770
			<u>\$11,757,672</u>

Plant Funds The increase of \$31,279,532 in plant fund assets is composed of \$28,524,167 in net additions to physical properties, an increase of \$2,672,381 in cash and investments, and a \$82,984 increase in Funds Held in Trust by Others.

During the year, \$16,539,178 was received through gifts, grants and the proceeds of loans on previously completed construction additions. Gains on sales of plant fund investments and interest on investments of Plant Funds provided additional resources of \$380,892 and \$115,295 respectively.

At June 30, 1972, Unexpended Plant Funds amounted to \$5,207,363. These funds, together with \$2,499,097 included in the Current Fund Appropriated Balances, represent resources available for the following:

	Current Fund Appropriated Balances	Unexpended Plant Funds	Total
Activities Building	\$1,250,000	\$ 50,965	\$1,300,965
Duncan Cardiac Research.....		420,477	420,477
Hospital	1,226,847	1,981,744	3,208,591
Marvin Center		1,725,449	1,725,449
Medical School		852,151	852,151
Others	22,250	176,577	198,827
	<u>\$2,499,097</u>	<u>\$5,207,363</u>	<u>\$7,706,460</u>

Although construction time was lost during the year as a result of strikes, all major construction projects continued essentially on schedule. The Thomas Edison Building, which is leased on a thirty year basis as an investment property, was placed in operation in March of 1972. The Parking Structure was placed in operation on a limited basis in February of 1972 and scheduled for full operation, except for elevator service, by the beginning of the fall 1972 semester. The Medical School, consisting of the Basic Science Building and Himmelfarb Library, and the new University Library Building are substantially on schedule and should be available for occupancy in January and May of 1973 respectively.



Financial Statements

For the Year Ended June 30, 1972

Balance Sheet

The George Washington University

Assets	June 30, 1972		June 30, 1971*	
Current Funds				
Cash	\$ 1,528,645		\$ 5,812,160	
Investments (Note 1) (Approximate market value \$5,970,000 in 1972 and \$800,000 in 1971)	5,953,908		762,881	
Accounts Receivable				
Cost Reimbursable Contracts—Principally U. S. Government	1,188,792		919,030	
Hospital and Clinic Patients, less \$1,970,000 in 1972 and \$1,635,000 in 1971 for doubtful accounts	7,729,413		6,071,686	
Other	1,363,377		1,128,987	
Temporary Advance to Plant Funds (Note 2)	2,171,202		1,440,052	
Inventory and Prepaid Expense	1,425,335	\$ 21,360,672	1,280,796	\$ 17,415,592
Loan Funds				
Cash	\$ 375,252		\$ 479,388	
Loans Receivable	5,028,781		4,462,423	
Investments (Note 1) (Approximate market value \$150,000)	150,000	\$ 5,554,033		\$ 4,941,811
Endowment Funds				
Cash	\$ 20,798		\$ 6,234	
Investments (Note 1) (Approximate market value \$15,100,000 in 1972 and \$13,620,000 in 1971)	11,045,728		10,622,438	
Real Estate (Note 1)	137,038		140,972	
Trust Notes	17,585		45,838	
Funds held in Trust by Others	11,221,149		10,815,482	
	536,523	\$ 11,757,672	536,523	\$ 11,352,005
Plant Funds				
Cash	\$ 425,350		\$ 72,465	
Investments (Note 1) (Approximate market value \$5,035,000 in 1972 and \$2,865,000 in 1971)	4,782,013		2,462,517	
Funds held in Trust by Others for Repairs, Maintenance and Debt Service (Note 4)	806,078		723,094	
Physical Properties (Note 3)				
Land and Buildings	114,244,220		86,730,633	
Equipment	14,538,100	\$ 134,795,761	13,527,520	\$ 103,516,229

*Certain amounts in 1971 are reclassified to conform with 1972's presentation.

Summary of

CURRENT INCOME AND DISPOSITION OF CURRENT INCOME

The George Washington University

	For the Year Ended June 30, 1972			For the Year Ended June 30, 1971*
	University	Medical Center	Total	
Current Income				
Education and General				
Student Fees	\$24,899,831	\$ 1,534,825	\$26,434,656	\$24,079,515
Endowment Income	278,671	190,436	469,107	471,334
Gifts and Other Designated Funds	994,546	2,482,327	3,476,873	3,231,193
Student Activities	170,351		170,351	112,635
Other	225,000		225,000	86,392
Sponsored Programs	8,435,086	5,500,185	13,935,271	13,272,196
Hospital		18,462,218	18,462,218	15,992,220
Clinic		8,334,286	8,334,286	7,127,820
	<u>35,003,485</u>	<u>36,504,277</u>	<u>71,507,762</u>	<u>64,373,305</u>
Auxiliary Enterprises	7,162,813		7,162,813	6,366,966
Student Aid				
Endowment Income	66,795	3,444	70,239	74,500
Gifts and Other Designated Funds	269,500	136,802	406,302	451,144
Net Return on Investment Property	399,972		399,972	157,825
	<u>\$42,902,565</u>	<u>\$36,644,523</u>	<u>\$79,547,088</u>	<u>\$71,423,740</u>

*Certain amounts have been reclassified to conform with 1972's presentation.

	For the Year Ended June 30, 1972			For the Year Ended June 30, 1971*
	University	Medical Center	Total	
Disposition of Current Income				
Current Expense				
Educational and General				
Administration and General				
General Administration	\$ 2,002,294	\$ 1,490,563	\$ 3,492,857	\$ 3,274,006
Student Services	955,962	108,408	1,064,370	949,568
General Expense	1,453,960	635,521	2,089,481	2,001,027
	<u>4,412,216</u>	<u>2,234,492</u>	<u>6,646,708</u>	<u>6,224,601</u>
Instruction and Departmental Research	14,502,363	3,508,744	18,011,107	16,764,991
Libraries	981,043	242,207	1,223,250	1,134,273
Maintenance and Operation of Plant	3,516,926	3,781,084	7,298,010	7,083,573
Student Activities	506,293	6,000	512,293	415,277
Sponsored Programs	8,435,086	5,500,185	13,935,271	13,272,196
Hospital		15,149,378	15,149,378	13,328,992
Clinic		5,191,130	5,191,130	4,676,192
	<u>32,353,927</u>	<u>35,613,220</u>	<u>67,967,147</u>	<u>62,900,095</u>
Deductions: Overhead recovered from				
Sponsored Programs (Net of Cost Sharing)	1,261,191	764,584	2,025,775	1,525,719
	<u>31,092,736</u>	<u>34,848,636</u>	<u>65,941,372</u>	<u>61,374,376</u>
Auxiliary Enterprises	6,752,128		6,752,128	6,394,074
Student Aid	1,433,279	140,246	1,573,525	1,469,895
	<u>39,278,143</u>	<u>34,988,882</u>	<u>74,267,025</u>	<u>69,238,345</u>
Transfers to: (Exhibit C)				
Loan Funds	56,110		56,110	56,103
Reserve for Repairs, Maintenance and Debt Service	63,000		63,000	26,000
Net Investment in Plant	718,172	369,021	1,087,193	1,198,431
Current Fund Balances				
Appropriated Fund Balances	2,643,440		2,643,440	539,533
Unappropriated Fund Balances	143,700	1,286,620	1,430,320	365,328
	<u>\$42,902,565</u>	<u>\$36,644,523</u>	<u>\$79,547,088</u>	<u>\$71,423,740</u>

Exhibit B

Summary of

CHANGES IN FUND BALANCES

The George Washington University

FOR THE YEAR ENDED JUNE 30, 1972

	CURRENT FUND BALANCES				DESIGNATED		
	UNIVERSITY		MEDICAL CENTER		Sponsored Programs	Endowment Income	Education and Development
	Unappropriated	Appropriated	Unappropriated	Appropriated			
Balance June 30, 1971*	\$ (137,898)	\$ 2,996,771	\$ 1,129,529	\$ 772,598	\$ 1,155,822	\$ 315,416	\$ 4,315,823
Additions:							
Current Income (Exhibit B)	42,902,565		36,644,523				
Gifts							836,242
Grants and Contracts					13,934,482		2,100,000
Investment and Interest Income						629,115	130,712
Gain on Sale of Investments							
Deposits and Other Sources						251	802,826
Practice Plan Income							400,554
Amounts Included in Current Fund .							
Expenditures:							
Deposits and Principal Payments							
Equipment							
Hospital Depreciation				735,485			
(Deductions):							
Current Expenses (Exhibit B)	(39,278,143)		(34,988,882)				
Transferred to Current Income		(8,847)			(13,935,271)	(539,346)	(3,556,041)
Interest							
Loan Proceeds on Previously Completed Construction							
Depreciation							
Loans Cancelled							
Other						(1,222)	(259,900)
Transfers (From):							
University Unappropriated	(3,480,722)	2,643,440					
University Appropriated		(722,937)					
Medical Center Unappropriated			(369,021)				
Medical Center Appropriated				(281,236)			
Endowment Income					46,994	(58,937)	4,792
Education and Development							(994,787)
Loan Principal							9,600
Maintenance and Debt Service							
Unexpended							
Balance June 30, 1972	\$ 5,802	\$ 4,908,427	\$ 2,416,149	\$ 1,226,847	\$ 1,202,027	\$ 345,277	\$ 3,789,821

*Certain amounts in 1971 are reclassified to conform with 1972's presentation.

Loan Principal	Endowment Principal	PLANT		
		Maintenance Debt Service	Unexpended	Net Investment
\$ 4,941,811	\$ 11,352,005	\$ 723,094	\$ 2,534,982	\$ 64,033,593
17,408	404,494		3,363,443	
27,000			13,175,735	
44,017		41,430	115,295	
	8,178		380,892	
559,357				20,177
		1,065,127		276,389
				920,828
			(45,722)	
		(821,031)		
				(3,162,887)
				(731,370)
(59,058)				
(23,012)	(14,156)			
56,110		63,000		718,172
				722,937
				369,021
				281,236
	7,151			
			170,787	824,000
(9,600)				
		(265,542)		265,542
			(14,488,049)	14,488,049
<u>\$ 5,554,033</u>	<u>\$ 11,757,672</u>	<u>\$ 806,078</u>	<u>\$ 5,207,363</u>	<u>\$ 79,025,687</u>

Notes

TO THE FINANCIAL STATEMENTS

The George Washington University

June 30, 1972

Note 1 Valuation of Investments— Investments are stated at cost or fair market value at date of acquisition except for certain real estate which is stated at depreciated cost.

Note 2 Temporary Advances— Advances of \$2,171,202 were made to Plant Funds from Current Funds in connection with temporary financing of the following construction projects:

H. B. Burns, Memorial Clinic	\$ 520,472
University Library	1,072,272
Law Library	65,483
Parking Structure	27,180
Thomas Edison Building	(509,947)
Other	995,742
	<u>\$2,171,202</u>

The \$509,947 represents unapplied proceeds from permanent financing on the Thomas Edison Building and is being held temporarily in the Current Fund pending final settlements. The advance of \$995,742 arises from the use of Current Funds to liquidate unsecured Plant Fund indebtedness. This amount is to be recovered either through the placement of permanent loans or the permanent transfer of Current Funds. The remaining advances represent temporary uses of Current Funds pending receipt of monies from previously negotiated government grant and loan agreements and the receipt of pledged gifts from various donors. Interest is charged to the Plant Fund for these temporary advances at prevailing rates for similar types of financing arrangements.

Note 3 Valuation of Physical Properties—Land and buildings are stated in the accounts at cost or appraised values less accumulated depreciation to date on the Hospital building. Hospital equipment is stated in the accounts at cost less accumulated depreciation to date. All other equipment is stated at cost less accumulated depreciation to August, 1938.

The University has current construction and architectural commitments outstanding at June 30, 1972 of approximately \$12,000,000. Outstanding monthly construction invoices at June 30, 1972, of approximately \$1,300,000, were paid and recorded during July, 1972 in accordance with the University's practice of recording construction costs when paid. In addition, construction retainments of \$2,600,000, which are not due in accordance with contractual provisions until satisfactory completion of the projects, were not recorded as of June 30, 1972.

Note 4 Repairs, Maintenance and Debt Service Reserves—Under the Trust Indenture of The George Washington University Dormitory-Dining Hall Bonds of 1963, as amended on June 11, 1969, the University is required to maintain a "Bond and Interest Sinking Fund Account" in the amount of \$350,400. In addition, the University is required to deposit in a "Repair and Replacement Reserve Account" an amount annually not to exceed \$74,500 until the reserve totals \$745,000.

Under Trust Indentures of the Academic Building Bonds of 1967, the Law Library Building Bonds of 1968 and the Academic Building Bonds of 1969, the University is required to deposit, by each October 15 and April 15, in "Bond and Interest Accounts" such amounts as are necessary to pay principal and interest due on the next interest payment date. In addition, the University must make annual deposits towards "Debt Service Reserves" to an aggregate of \$189,000 by November, 1974.

Pursuant to the above requirements, \$806,078 was on deposit with trustees at June 30, 1972.

Note 5 Bonds and Notes Payable—Bonds, trust notes and unsecured notes payable of the Plant Funds at June 30, 1972 consisted of the following:

Building bonds; 2 $\frac{7}{8}$ %-3 $\frac{1}{2}$ %, secured by certain of the University's dormitories, academic and administration buildings, maturing serially from 1972-2002	\$ 9,593,000
Trust notes; 2 $\frac{1}{2}$ %-9%, secured by real property, maturing with various dates through 2002	37,592,303
Unsecured notes payable; 5%-8%, final payment due November, 1978	400,128
	<u>\$47,585,431</u>

Note 6 Provisions for Group Contract Settlements—Hospital charges paid under patient care group contracts are subject to audit and retroactive settlements by third party payors. Estimates for the settlement of 1971 and 1972 charges under these agreements have been provided.

To the President and the Board of Trustees
The George Washington University
Washington, D. C.

In our opinion, the accompanying financial statements (Exhibits A through C) present fairly the financial position of The George Washington University at June 30, 1972 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse + Co.

Washington, D. C. 20006
September 25, 1972

Accountants' Report



Suggested Will Form for Prospective Donors

A will should always be drawn by or with the advice of an attorney. These forms are intended merely to provide general information for those who wish to consider The George Washington University as a beneficiary. They are not intended to be a substitute for the services of an attorney. Upon request, the Vice President and Treasurer of the University will be glad to review the phrasing of any proposed form of will.

1. An unrestricted legacy

I give and bequeath to The George Washington University, a tax exempt corporation, chartered by an Act of Congress and located in the District of Columbia, (a) The sum of \$ _____, or (b) The following described real property, or (c) The rest and residue of my estate after payment of the foregoing bequests.

2. A legacy to be held as a permanent fund, the income to be used for general purposes

I give and bequeath to The George Washington University, a tax exempt corporation, chartered by an Act of Congress and located in the District of Columbia, the sum of _____ dollars (\$ _____), the income only to be used for the general purpose of the University. This gift is made in memory of _____ and shall be known as the _____ Endowment Fund.

3. A legacy intended to be used for a specific purpose

I give and bequeath to The George Washington University, a tax exempt corporation, chartered by an Act of Congress and located in the District of Columbia, the sum of _____ dollars (\$ _____). This gift shall be used both as to principal and income for the following described purposes. (Describe the purposes to be served by the gift.)

4. A legacy naming The George Washington University as a contingent beneficiary

In preparing a will an individual should provide for the contingency that the beneficiary (or beneficiaries) named in it does not survive him. Should this happen, the estate would be distributed as intestate property which is often contrary to the individual's wishes. To avoid such a possibility, many individuals name an educational or charitable institution as a contingent beneficiary. The George Washington University would be an appropriate contingent beneficiary in the wills of friends of the University.

Officers & Deans

LLOYD H. ELLIOTT

President

ADMINISTRATIVE OFFICERS

SEYMOUR ALPERT

Vice President for Development

HAROLD F. BRIGHT

Provost and Vice President for Academic
Affairs

H. JOHN CANTINI, JR.

Vice President for Administration

CHARLES E. DIEHL

Assistant Vice President and Assistant
Treasurer

MARGARET P. GREENE

Assistant Treasurer

MAURICE K. HEARTFIELD, JR.

Assistant Treasurer

HENRY W. HERZOG

Vice President and Treasurer

WILLIAM D. JOHNSON

Director of the Budget

LOUIS H. MAYO

Vice President for Policy Studies and
Special Projects

FREDERICK J. NARAMORE

Comptroller

WILLIAM P. SMITH

Vice President for Student Affairs

DEANS

JOHN G. ALLEE, JR.

Division of University Students

ARTHUR E. BURNS

Graduate School of Arts and Sciences

CHARLES W. COLE

Summer Sessions

JAMES C. DOCKERAY

School of Government and Business
Administration

ROBERT KRAMER

National Law Center

HAROLD LIEBOWITZ

School of Engineering and Applied Science

CALVIN D. LINTON

Columbian College of Arts and Sciences

EUGENE R. MAGRUDER

College of General Studies

JOHN PARKS

Medical Center

BURTON M. SAPIN

School of Public and International
Affairs

RODNEY TILLMAN

School of Education

